

The Virginia Distribution Center (VDC) is part of the Department of General Services, Division of Purchases and Supply. The VDC is a cooperative procurement function that provides a broad selection of high-quality services and products at the lowest prices by leveraging the collective buying power of the Commonwealth, utilizing efficient freight methods, and maintaining an onsite Quality Assurance Laboratory operation. Over 1,000 top-quality line items are available, including staple foods, frozen foods, janitorial supplies, paper and plastic products, safety supplies, and other select items. The VDC's quality assurance program provides for evaluations of commodities for adherence to specifications. The VDC serves Commonwealth of Virginia agencies, mental health and correctional institutions, universities and colleges, localities, and political sub-divisions.

### SAVINGS AND COST AVOIDANCE

- The VDC celebrated 54 years of cost avoidance for customers in 2014.
- The VDC conducts Market Basket Surveys annually to determine cost avoidance. Fiscal 2014 food-related purchases from VDC resulted in a cost avoidance of 35.17 percent over purchasing from other sources, and a cost avoidance of 48.64 percent for housekeeping-related purchases. **The total cost savings dollar value for Fiscal 2014 was \$13.8 million and for the last five years was \$87.4 million.** The relative cost savings for Fiscal Years 2010 through 2014 are:

	2010	2011	2012	2013	2014
Food	27.58%	58.37%	52.23%	49.67%	35.17%
Housekeeping	59.24%	66.78%	82.97%	41.55%	48.64%
Cost Savings	\$13.9 M	\$20.7 M	\$23.7 M	\$15.5 M	\$13.8M

- The VDC continued to improve its procurement process, including public-private partnerships and the Corrections Agribusiness Program partnership to further reduce product costs to customers.
- In Fiscal 2014, 57.8 percent of the VDC's purchases were from SWaM businesses. This equates to 51.5 percent of the dollars spent. This is well above the Governor's discretionary spend small business goal.



### CUSTOMER-FOCUSED SERVICE

- The VDC's laboratory provides a Quality Assurance Program that performs scheduled and random evaluations of commodities to ensure they adhere to specifications; the lab also responds to agency complaints concerning product quality. This function assures that the products meet or exceed customer expectations and increases customer cost avoidance.
- The VDC created a Quality Assurance Team to improve customer service and continues to utilize the team.
- The VDC continued a partnership with the Virginia Department of Transportation to warehouse, provide inventory management, and ship state and county maps across the Commonwealth. The VDC expanded this partnership to reduce the product cost on a large variety of items and enabled VDOT to reduce their service fee to a vendor.
- VDC staff met with representatives from multiple state governments including: Minnesota, New Jersey, New York, Ohio, and Pennsylvania, to provide them with ideas to create similar operations or reorganize current ones.
- The VDC has supported a wide range of third-party projects by providing:
  - Facilities for forensic training for police officers
  - Storage facilities for the Capitol renovation,

Eighth Street Office Building, and Washington Building construction projects

- Storage facilities for blast-resistance glass for the Governor's office
- Storage, working space, and assistance for the Department of Motor Vehicles during a major computer upgrade
- Assistance to the Virginia Department of Education and the U.S. Forest Service with the Capitol Tree 2004 Project by receiving and providing space for volunteers to evaluate and repackage the tree ornaments. The project resulted in a cost avoidance of \$12,000, which would have been the cost of hiring a private company to provide the assistance.
- Over 500,000 pounds of food to the Virginia Federation of Food Banks in FY09



Department of Health, Virginia Department of Emergency Management and the Virginia National Guard (VNG). The VDC's commitment involves working with these agencies to plan and train for emergency situations where the receipt, storage and distribution of important life-sustaining supplies such as medicines, water and ice to our citizens can be assured.

- In the aftermath of Hurricane Isabel the VDC hosted over 100 Virginia National Guard personnel, providing working space, resources and living quarters to support the distribution of water and ice to Virginia communities. While the VDC was without power for six full days during this time, facility staff members were able to sustain the needs of the VNG and accommodate 100 percent of the VDC's customers' needs by the third business day.
- Federal and state partners have worked with the VDC to enhance emergency support capabilities since Hurricane Isabel. VDC installed a full-facility backup generator and improved facility physical protection through agreements with those agencies and at a minimal cost to DGS. The VDC's collaboration with multi-discipline partners to assure Virginia's readiness status with regard to large-scale events affecting the Commonwealth has resulted in federal and state recognition that Virginia's emergency distribution process is among the most organized and efficient in the nation.

### STRATEGY AND PLANNING

- The VDC maintained its presence at a variety of events, including a presentation to the Department of Corrections (DOC) Annual Food Director's Conference and being an exhibitor in the DOC Vendor Show, Virginia Association of Governmental Purchasing (VAGP) Conference, VAGP & Capital Area Purchasing Association (CAPA) Reverse Trade Show and the DPS Public Procurement Forum.
- The VDC established and coordinates the quarterly Food Council and Housekeeping Advisory Committee meetings. The council and committee advise the VDC staff on specifications/quality levels, suggest new products, participate in product evaluations, suggest ways that the VDC can improve products and service, and provide networking opportunities for the VDC customers and staff.
- The VDC improved the home page and market products via email distribution, website postings, mass mailings, faxes, and presentations to notify customers of new items, special buys, green products, DOC Agribusiness information, and the onsite Quality Assurance Lab.

### EMERGENCY OPERATION SUPPORT

- The VDC plays a critical role in supporting federal and state emergency planning, operations and response efforts so as to better serve the citizens of Virginia in times of catastrophic events affecting public health and safety.
- The VDC routinely works with external emergency planning partners including the Centers for Disease Control and Prevention, U.S. Marshals Service, Virginia State Police, Virginia

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